

Internal Revenue Service

P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Release Number: **201641030**

Release Date: 10/7/2017

Date: July 13, 2016

Employer Identification Number:

Contact person - ID number:

Contact telephone number:

LEGEND

Y = Country

z = Amount

UIL:

4945.04-04

Dear :

You asked for advance approval of your educational grant procedures under Internal Revenue Code section 4945(g) (3). This approval is required because you are a private foundation that is exempt from federal income tax.

Our determination

We approved your procedures for awarding educational grants. Based on the information you submitted, and assuming you will conduct your program as proposed, we determined that your procedures for awarding educational grants meet the requirements of Code section 4945(g)(3). As a result, expenditures you make under these procedures won't be taxable.

Description of your request

Your letter indicates that you will operate a fellowship program.

You indicate that the purpose of the program is to provide fellowship grants to individuals to help increase gender diversity in universities in Y in the areas of science and engineering by supplementing the post-doctoral research stipend offered at the university where they have been accepted to research. You plan to award z new fellowships each year and the amount of the stipends are varied depending upon the available funds.

The applicants must meet the following criteria: (a) are post-doctoral researchers who are residents of Y, (b) demonstrate financial needs, (c) are women, (d) received their PhD from a Y research university in the last three years in the fields of mathematics, computing sciences, or engineering, and (e) have been accepted to continue their research at a university outside of Y.

Individuals who are employed by you, employed by organizations controlled by your director(s), members of your Board of Directors, or related by blood or marriage to employees or your directors or organizations controlled by your director(s), will not be eligible for the grants.

Applicants will be assessed based on (a) the quality of completed research, (b) the relevance of their post-doctoral research plan, and (c) their long term goals with respect to their research work. Preference will be given to candidates who intend to become a professor at a university in Y in the fields of mathematics, computing, or engineering after the completion of their fellowship.

The fellowship grant may be extended for one (1) more year based on progress made on the grantee's research plan.

You will require each recipient to sign a grant agreement before any funds are disbursed. You will require periodic reports as specified in the grant agreement and will monitor and evaluate the expenditures of the funds and the progress made by each recipient. You will require the supervising faculty member or other appropriate university official to review and approve the reports prepared by the fellow. Any apparent misuse of grant funds will be promptly investigated. If you discover that funds have been misused, you will require the recipient to return the funds immediately, and you will make no further distributions to that recipient.

You plan to appoint six to eight members of the selection committee who are distinguished researchers in mathematics, computing, and other relevant fields. The selection committee will analyze the applications and interview candidates who are potential awardees. No person on the selection committee will be in a position to derive private benefit, directly or indirectly, if certain potential grantees are selected over others.

Basis for our determination

The law imposes certain excise taxes on the taxable expenditures of private foundations (Code section 4945). A taxable expenditure is any amount a private foundation pays as a grant to an individual for travel, study, or other similar purposes. However, a grant that meets all of the following requirements of Code section 4945(g) is not a taxable expenditure.

- The foundation awards the grant on an objective and nondiscriminatory basis.
- The IRS approves in advance the procedure for awarding the grant.
- The grant is:
 - A scholarship or fellowship subject to section 117(a) and is to be used for study at an educational organization described in section 170(b)(1)(A)(ii); or
 - A prize or award subject to the provisions of section 74(b), if the recipient of the prize or award is selected from the general public; or
 - To achieve a specific objective; produce a report or similar product; or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar skill or talent of the recipient.

To receive approval of its educational grant procedures, Treasury Regulations section 53.4945-4(c) (1) requires that a private foundation show:

- The grant procedure includes an objective and nondiscriminatory selection process.
- The grant procedure results in the recipients performing the activities the grants were intended to finance.
- The foundation plans to obtain reports to determine whether the recipients have performed the activities that the grants were intended to finance.

Other conditions that apply to this determination

- This determination covers only the grant program described above. This approval will apply to succeeding grant programs only if their standards and procedures don't differ significantly from those described in your original request.
- This determination applies only to you. It may not be cited as precedent.
- You cannot rely on the conclusions in this letter if the facts you provided have changed substantially. You must report any significant changes in your program to the Cincinnati Office of Exempt Organizations at:

Internal Revenue Service
Exempt Organizations Determinations
P.O. Box 2508
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- You cannot make grants to your creators, officers, directors, trustees, foundation managers, or members of selection committees or their relatives.
- All funds distributed to individuals must be made on a charitable basis and must further the purposes of your organization. You cannot award grants for a purpose that is inconsistent with Code section 170(c) (2) (B).
- You should keep adequate records and case histories so that you can substantiate your grant distributions with the IRS if necessary.

We've sent a copy of this letter to your representatives as indicated in your power of attorney.

Please keep a copy of this letter in your records.

If you have any questions, please contact the person listed at the top of this letter.

Sincerely,

Jeffrey I. Cooper
Director, Exempt Organizations
Rulings and Agreements